

Thursday, 2 November 2017

## Business Confidence down again in September to 113.2

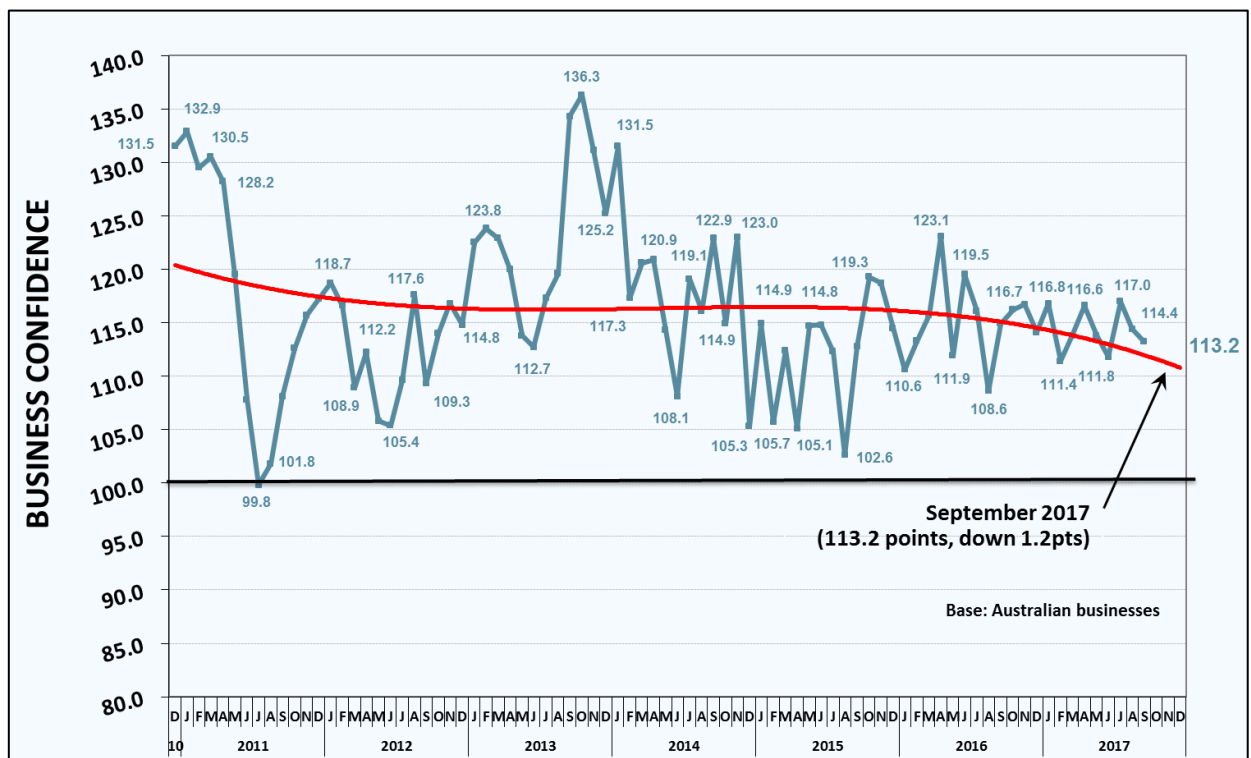
In Australia Business Confidence fell 1.2pts (-1.0%) to 113.2 in September, as discussion continued about the mounting cost of energy heading towards the peak Summer season.

Despite these worries, businesses remain positive with a majority of businesses, 54.5%, saying now is a 'good time to invest in growing the business' and 48.5% of businesses expecting to be 'better off' financially this time next year compared to only 20.1% that expect to be 'worse off'.

The fall in Business Confidence was driven by falls in confidence in several industries including Transport, postal & warehousing, Information, Media & Telecommunications, Finance & Insurance and Accommodation & Food services according to the Roy Morgan Business Single Source survey.

Although moving in the opposite direction Business Confidence is now level with weekly ANZ-Roy Morgan Consumer Confidence, up 1.2pts (1.1%) to a monthly figure of 113.2 in September.

### Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source, Dec 2010–Sep 2017. Average monthly sample over the last 12 months=971.

### Business Confidence down slightly in September as more businesses say they are worse off financially than last year but more positive about Australia's economy in the short-term

- Business Confidence decreased in September on the back of declining views about the performance of the business with 39.9% (down 1.6ppts) saying business is 'better off' financially than this time last year and 36.2% (up 3.9ppts) saying business is 'worse off';
- In addition, looking forward, 48.5% (down 3.2ppts) expect the business to be 'better off' financially this time next year compared to 20.1% (up 1.9ppts) that expect the business to be 'worse off';

- However, businesses have grown more positive about the performance of the Australian economy over the next year with 51% (up 6.6ppts) now expecting 'good times' for the Australian economy while 43.2% (down 3.9ppts) now expect 'bad times';
- Despite a positive short-term view, longer-term views on the Australian economy have turned down in September with 48.7% (down 2.6ppts) expecting 'good times' for the Australian economy over the next five years and 40.8% (up 2.6ppts) expecting 'bad times';
- A virtually unchanged majority of businesses, 54.5% (down 0.4ppts) are also positive that the next 12 months represent a 'good time to invest in growing the business' far higher than the 36.5% (up 0.7ppts) that say it will be a 'bad time to invest'.

**Michele Levine, CEO Roy Morgan Research, says despite consecutive falls Business Confidence is broadly positive and now level with a moderately firming Consumer Confidence:**

*"Business Confidence fell 1.2pts (-1.0%) in September to 113.2, and is now level with Consumer Confidence which was up 1.2pts (+1.1%) to 113.2 in September. Both are down slightly on their levels of a year ago in September 2016.*

*"Moderate declines in Business Confidence in Australia's two largest States of New South Wales and Victoria along with larger falls in South Australia and Tasmania drove Business Confidence down in September.*

*"South Australia's Business Confidence has dipped substantially over the past two months as the State's high electricity prices have gained media attention. Heading towards a March 2018 State Election the price of energy, and potentially a repeat of last Summer's blackouts, will be key issues for the SA electorate.*

*"Today's announcement that Nick Xenophon, leader of the Nick Xenophon Team (NXT) in Federal Parliament, is resigning his position as a Senator and returning to State politics to contest next year's State Election as the leader of the 'SA Best' party adds a new dimension to the issue.*

*"However, there was positive news on a State level with the mining States of Western Australia and Queensland 'bucking' the national trend with improved Business Confidence in September as mining export prices remained strong. This is the first time this year Western Australia doesn't have mainland Australia's lowest Business Confidence.*

*"Analysing Business Confidence by industry shows lagging industries include Electricity, Gas, Water & Waste, Accommodation & Food services, Transport, postal & warehousing, Finance & Insurance and Arts & Recreational services.*

*"Industries performing well in September once again include Mining, Health care & social assistance and Agriculture, forestry & fishing, while there were clear improvements in sentiment for the industries of Construction and Education & training."*

Roy Morgan August Business Confidence results are based on 869 interviews with a cross-section of Australian businesses. Business Confidence is now below the 7yr average (116.3).

**For comments or more information please contact:**

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## Related research findings

[Click here](#) to purchase the **Business Confidence – Monthly Detailed Report** in Australia.

[Click here](#) to purchase the **Consumer Confidence – Monthly Detailed Report** in Australia.

[Click here](#) to purchase the **Consumer Banking Satisfaction Monthly Report** in Australia.

## About Roy Morgan Research Consumer Single Source

Roy Morgan Single Source is based on over 50,000 interviews each year and has been designed and engineered to represent the ideal source model. It provides an integrated understanding of consumers; what they are like, what they consume, what they buy, what they think, what they want, what they watch, read and listen to. The overriding benefit of Roy Morgan Single Source is the strategic insights it offers in the ability to link many aspects. Not only can an organization's profitable customers be delineated by what they think, do, watch, but so can non customers. Hence brand positioning, product differentiation, merchandising, efficient media planning, market expansion and line extension opportunities can all be considered in the light of the correct understanding of the marketplace.

## About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

## Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2